

23 February 1954

MEMORANDUM FOR THE DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT: Italian Strike Situation

1. According to your request, there follows the Board of National Estimates' estimate of the Italian strike situation. The views here expressed are in line with those of OCI and appropriate staffs of DD/P. They have not been coordinated with the IAC agencies.

2. The current wave of strikes in Italy was planned before Scelba was nominated Prime Minister. They were designed by the Communist-controlled CGIL and the non-Communist UIL to obtain higher wages for industrial workers, but the Communists are now using them in their effort to prevent parliamentary approval of the Scelba government. The strikes thus far have been less widespread than the December 1953 strikes, and the UIL is now apparently seeking a means of withdrawing because of the political turn the strikes have taken.

3. Scelba has formed an apparently firm coalition of three of the center parties, and his government represents the strongest potential opposition to the Italian Communists since the June 1953 elections. Scelba developed the public security forces under the Ministry of Interior and crushed the Communist strikes in 1947-1948. The Communists probably expect him to take some repressive measures and to reduce or eliminate the economic and administrative privileges they have enjoyed since 1945. Moreover, his government has four Saragat Socialists and three Liberals in key positions and appears committed to a program of social reform which if carried through would in the long run increase its popular appeal and deprive the Communists of some of their most effective ammunition.

4. The Communists will probably soon be isolated in the strike action and it does not appear likely that the present situation will develop into a threat to Italy's internal security. Indeed, we believe that the Communists are not preparing to attempt

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a coup. They realize that an attempted coup would almost certainly not be successful and would result in severe repressive measures and heavy losses to the Communist movement.

5. We believe on the other hand that the Communists seek at this time to continue the government crisis, and to force early elections under conditions favorable to the Communists. The strikes are probably aimed primarily at convincing the Saragat Socialists that by cooperating with a center government they will lose their popular support, which is already slim.

SHERMAN KENT
Assistant Director
National Estimates

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